

MD_DA230

Fluid Milk and Cream - Central U.S.

Report 13 - Released on April 01, 2021

Milk yields are growing week to week and year to year. Some farmer contacts relay January to February numbers for 2021 milk yields outpaced 2020's numbers by double-digit percentages, and 2020 was a record year for that timeframe. That said, some of the same farmers relay component levels being lower, possibly due to the overall output boost. Class I demand has begun to slowly pick up, as those school districts throughout the region that have not remained on virtual-learning programs return from spring break. Food service demand on the Class I side, in general, has edged up this week. Contacts suggest some return to strength in the oil field sector in the southern portion of the region has created some employment hurdles for milk/dairy truckers. Cheesemakers reported similarly available spot milk prices to last week, although buying remains somewhat slower in general. A number of cheesemakers reported limited calls from milk suppliers, but also limited interest, as they are using internal supplies. Cream availability continued its slightly tightening trajectory this week. With more production uses in Classes outside of butter production, the cream pool is shallower in recent weeks. Still, butter producers are able to secure loads in the low/mid 1.20s, but they say they are not as amply available as a month ago. A number of butter plants suggest the upcoming holiday will have little effect on additional days off, therefore, cream prices are expected to hold somewhat steady week to week. As springtime weather looms this weekend and following week in the upper Midwest, contacts there say there is an expectation of some farmers returning to the fields near term. Winter wheat farmers in the southern portion of the region say precipitation in recent weeks has helped them out, but more is needed. Currently, though, winter wheat expectations are generally positive, particularly following the brutal and unprecedented winter storms of mid-February.

Price Range - Class III Milk; \$/CWT; Spot Basis: -5.00 - -4.00
Trade Activity: Slow

Midwestern U.S., F.O.B. Cream

Multiples Range - All Classes:	1.2300 - 1.3400
Price Range - Class II; \$/LB Butterfat:	2.1844 - 2.3048
Multiples Range - Class II:	1.2700 - 1.3400

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ISRAEL WEBER, 608-422-8601
Email: israel.weber@usda.gov

Additional Dairy Market News Information:

Dairy Market News (DMN) by Phone: (608)422-8602
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